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EXAMINER

LE, K

ART UNIT

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Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks



# Office Action Summary

Application No.

09/282,747

Applicant(s)

WALKER ET AL.

Examiner

Khanh H. Le

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2781 2162 <sup>KHL</sup>

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).

## Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-74 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-74 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claims \_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_ is/are objected to by the Examiner.
- 11) ☐ The proposed drawing correction filed on \_\_\_\_ is: a) ☐ approved b) ☐ disapproved.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. § 119

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).
- a) ☐ All b) ☐ Some \* c) ☐ None of the CERTIFIED copies of the priority documents have been:
- ☐ received.
  - ☐ received in Application No. (Series Code / Serial Number) \_\_\_\_.
  - ☐ received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. & 119(e).

## Attachment(s)

- 15) ☒ Notice of References Cited (PTO-892)
- 16) ☒ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 17) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 8,10, 11
- 18) ☐ Interview Summary (PTO-413) Paper No(s) \_\_\_\_.
- 19) ☐ Notice of Informal Patent Application (PTO-152)
- 20) ☐ Other: \_\_\_\_\_

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## **DETAILED ACTION**

### **Objections to disclosure**

1. The disclosure is objected to because of the following informalities: Applicant claims continuation in part to application No. 09/116,367 which has different inventors and subject matter. It appears to the Examiner that the proper application may be 09/166, 367. Appropriate correction is required.

At page 9 line 7 of the disclosure is missing the appropriate application number. Appropriate correction is required.

### **Information Disclosure Statement**

2. The information disclosure statement filed Sep 10, 1999 (paper #6) fails to comply with 37 CFR 1.98(a)(2), which requires a legible copy of each U.S. and foreign patent; each publication or that portion which caused it to be listed; and all other information or that portion which caused it to be listed. It has been placed in the application file, but the information referred to therein have not been considered.

### **Claims Rejections- 35 USC 112**

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 29 and 31, 49 and 50 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In claims 29 and 31, it is not clear how a penalty legally can be assessed a customer who, in claim 29, was "solicited to agree" to participate to a transaction, and has not given his consent. The Examiner suggests "soliciting and obtaining agreement ..." in claim 29.

In claim 49, the second step of the method claim is unclear because "the received indication" in "providing, in response to the received indication, an indication of an offer for a subsidy from a second vendor;" was not mentioned in step one.

Dependent claims not specifically mentioned above are rejected because by their dependence they include the language of a rejected base claim.

#### **Claim Rejections- Double Patenting**

5. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and, *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

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Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

6. Claim 2 (hereinafter the "instant claim 2") is provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 19 and 24 of copending Application No. 09/219,267 (herein after "the /267 claim 19" and "the /267 claim 24" in view of the article "Can mixing "cookies" with online marketing be a recipe for heartburn" by Ed Foster, Infoworld v18n30, pp54, Jul. 22, 1996, hereinafter, the "Cookie Article".

The instant claim 2 and the "/267 claim 19" contain the following patentably close limitations (note: the /267 claim 24 limitations are italicized) receiving information via a web site (from a cookie), that a customer is to purchase at least one item (customer activity with) from a first vendor, the one at least item having an associated total price; and providing, in response to the received information (the step of providing the offer before the at least one item is purchased), an offer for a subsidy (benefit) from a second vendor (merchant) charging the customer a second price if the offer is accepted, the second price being less than the total price (applying the benefit to the one at least one item if there is acceptance of the offer, reducing a price of the at least one item.)

The recitation of "the step of providing the offer before the at least one item is purchased" in the /267 claim 19 is implicit in the instant claim 2 so that the steps of customer accepting and second price charging can be possible. Therefore, except for the cookies feature, the instant claim 2 does not materially alter the claimed inventive method steps of /267 claim 19 or produce any new or unexpected result. Thus, except for the cookies feature, the instant claim 2 and the /267 claim 19 are not patently distinct from each other.

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As to the cookie feature, the /267 claim 19 teaches the use of websites but does not teach that cookies are used to gather information from such Websites, but the Cookie article teaches just that (abstract lines 1-6) . It would have been obvious to one skilled in the art at the time the invention was made, to use Websites, as taught by the /267 claim 19, since the Internet is such a well-known and popular e-commerce medium, and as the cookie technology of gathering data about users' activities on the Internet (WWW or Web) becomes known, to complement the /267 claim 19 teaching with the powerful cookie feature, as taught by the Cookie article, to enhance the targeting of advertising with the obvious benefit of increased potential sales.

As compared to the “/267 claim 24”, the instant claim 2 and the “/267 claim 24 contain the following patentably close limitations (note: the /267 claim 24 limitations are italicized) receiving information via a web site (from a cookie), that a customer is to purchase at least one item (customer activity with) from a first vendor, the one at least item having an associated total price; and providing, in response to the received information (the step of providing the offer before the at least one item is purchased), an offer for a subsidy (benefit) from a second vendor (merchant) charging the customer a second price if the offer is accepted, the second price being less than the total price (applying the benefit to the one at least one item if there is acceptance of the offer , selling for a first price if the offer is rejected, selling at a second price, less than the first price, if the response indicates acceptance .)

Thus, except for the cookies feature, the instant claim 2 and the /267 claim 24 are not patentably distinct from each other. See In re Karlson, 136 USPQ 184, 186; 311 F2d 581 (CCPA 1963).

As to the cookie feature, the /267 claim 24 teaches the use of websites but does not teach that cookies are used to gather information from such Websites, but the Cookie article teaches just that (abstract lines 1-6) . It would have been obvious to one skilled in the art at the time the invention was made, to use Websites, as taught by the /267 claim 24, in combination with the powerful cookie feature, as taught by the Cookie article, to enhance the targeting of advertising with the obvious benefit of increased potential sales.

This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

Applicant is reminded to maintain a clear line of demarcation between the applications.

7. Claim 21 (hereinafter the “instant claim 21”) is provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claim 1 of copending Application No. 09/322351 (herein after “the /351 claim 1”)

The “/351 claim 1” and the instant claim 21 contain the following same limitations (note: the /351 claim 1 limitations are italicized)

- 1) receiving information , that a customer is to purchase at least one item from a first vendor, the one at least item having an associated total price, and
- 2) providing, in response to the received information , an offer for a subsidy from a second vendor, the offer defining an obligation
- 3) charging the customer a second price if the offer is accepted, the second price being less than the total price
- 4) receiving an indication that the customer has fulfilled the obligation or not

The only difference between the instant claim 21 and the “/351 claim 1” is this latter specifies assessing a penalty if the customer does not fulfill the obligation. above in view of well known legal and business principles.

The “/351 claim 1” teaches assessing a penalty if the customer did not participate in the agreed upon transaction. Official Notice is taken that it is well-known that, although businesses are legally entitled to charge a penalty for breach of contract by customers, many choose to forfeit such penalties to keep customer goodwill, for example in cases where their incentives programs costs are not substantial, and/or where the businesses perceive that the costs of alienating potential customers by imposing penalties outweigh the benefits of recouping their incentives programs costs. Thus, it would have been obvious to one skilled in the art at the time

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the invention was made to subtract from the “/351 claim 1”’s teachings the penalty step for the above-discussed advantage.

8. Claims 22, 23, and 31 (hereinafter the “instant claims 22, 23 and 31”, respectively ) are provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 16, 17 and 1, respectively, of copending Application No. 09/322351 (herein after “the /351 claims 16, 17 and 1”)

The “instant claim 22” is provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over “the /351 claim 16” because Claim 22 adds to claim 21, the exact same limitation as the “/351 claim 16” adds to the “/351 claim 1”.

The instant claim 23 is provisionally rejected under the judicially created doctrine of obviousness-type double patenting over the /351 claim 17 because Claim 23 adds to claim 21, the exact same limitation as the /351 claim 17 adds to the /351 claim 1.

The instant claim 31 is provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over the /351 claim 1”:

The “/351 claim 1” and the instant claim 31 contain the following same limitations

- 1) receiving information , that a customer is to purchase at least one item from a first vendor, the one at least item having an associated total price, and
- 2) providing, in response to the received information , an offer for a subsidy from a second vendor, the offer defining an obligation
- 3) charging the customer a second price if the offer is accepted, the second price being less than the total price
- 4) receiving an indication that the customer has fulfilled the obligation or not
- 5) assessing a penalty if the customer does not fulfill the obligation.



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The only difference between the instant claim 31 and the “/351 claim 1” is that the obligation in the instant claim 31 specifies the obligation to be a transaction with the second vendor. Official Notice is taken that it is well known that subsidizing vendors do so to entice customers to become their own, thus in exchange of the subsidy, it is well-known that they impose an obligation to enter in a transaction to buy their products or services. It would have been obvious to one skilled in the art at the time the invention was made to add to the “/351 claim 1” teaching the obligation to transact with the second vendors to achieve the purpose of the subsidizing programs.

9. Claim 21 (hereinafter the “instant claim 21”) is provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claim 1 of copending Application No. 09/223903 (herein after “the /903 claim 1”).

The “/903 claim 1” and the instant claim 21 contain essentially the following same limitations

- 1) receiving information , that a customer is to purchase at least one item from a first vendor, the one at least item having an associated total price, and
- 2) providing, in response to the received information , an offer for a subsidy from a second vendor, the offer defining an obligation
- 3) charging the customer a second price if the offer is accepted, the second price being less than the total price
- 4) receiving an indication that the customer has fulfilled the obligation or not

The differences between the instant claim 21 and the “/903 claim 1” is as follows:

- a) regarding customer information with first vendor, the instant claim 21’s limitation is broad , relating to customer activity, while the “/903 claim 1” provides the step of identifying a customer and a selected account associated with the customer. However, it is well-known in the database art to keep track of customers with some sort customers’ identification or account number.

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b) regarding the at least one item to be bought, the “/903 claim 1” “provides” such “ in a memory”. However it is well-known to keep track of items to be purchased in databases and thus memories have to be used for this purpose.

c) with respect to the offer generation step: the instant claim 21 defines a general obligation while the “/903 claim 1” claims defines a specific one, to make a further purchase at a later time. However, Official Notice is taken that it is well-known in the marketing arts for businesses to impose any kind of appropriate condition in exchange for receiving subsidies, to further their particular business goals. For example, time-share vacation condominiums schemes are well-known to offer free hotel or vacation packages in exchange for customers to sit in and listen to their time-share sales pitch. In this case, the obligation is appropriate for the incentive given. Had the obligation been to purchase a time share, a big and long-term commitment, in exchange for a free trip, would not convince customers. Thus it would have been obvious to one skilled in the art at the time of the invention to replace the “/903 claim 1” teaching of “further purchase at a later date”, with any other appropriate general obligation such as claimed in the instant claim 21, to generate the best results in attracting new customers for the subsidizing businesses.

10. Claim 12 (hereinafter the “instant claim 12”) is provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claim 1 of copending Application No. 09/166367 (herein after “the /367 claim 1”).

The instant claim 12 and the “/367 claim 1 contain the following same limitations: receiving information of a first customer transaction with a first vendor, determining whether the transaction satisfies on rule or criterion, generating an offer for a discount (charging the customer a second price if the offer is accepted, the second price being less than the total price from a second vendor).

The “/367 claim 1” specifies the offer is subject to a condition while the instant claim 12 does not. However, it is implied in the instant claim 1, of which claim 12 is dependent, that a condition is attached to the offer. Indeed the instant claim 1 recites “charging...if the offer is accepted”, meaning one condition, at least, is to manifest acceptance of the offer. Thus it is

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obvious to one skilled in the art of the time of the invention that the instant claim 12 is a subset of "/367 claim 1".

Thus, the instant claim 12 and the /367 claim 1 are not patentably distinct from each other. See In re Karlson, 136 USPQ 184, 186; 311 F2d 581 (CCPA 1963).

#### **Discussion- 35 USC 101**

11. Claims 53, 56, 59, 62, 65,68, 71 and 74 are seen to be drawn to statutory subject matter as the "processing instructions" on the recited computer readable medium are seen to be computer-executable instructions such that each of the recited steps is performed by a computer.

#### **Claims Rejections- 35 USC 102**

12. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(e) The invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

13. Claims 1, 3-4, 8-21, 28-30, 32-36, 51-56 are rejected under 35 U.S.C. 102(e) as anticipated by Scroggie et al., US Pat. No. 5970469, (hereinafter "Scroggie")

As per claim 1, Scroggie teaches a method, comprising the steps of:  
receiving information relating to customer activity of a customer with a first

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vendor; (fig 14 items 400, 402, 404-412, col 12 lines 7-col 13 line 46)  
providing, in response to the received information, an indication of an offer for a subsidy from a second vendor(, fig 1, item 14 ( the second vendors being the manufacturers, fig 14 item 414, and 416, col. 13 lines 24-46)  
receiving an indication of at least one item the customer desires to purchase, the one at least item having an associated total price; (fig 14, item 408) and  
charging the customer a second price if the offer is accepted, the second price being less than the total price (fig 14 item 408) .

As per claim 3, Scroggie teaches the method of claim 1, in which the step of receiving information relating to customer activity comprises: receiving information via at least one of a Web server, and a POS terminal. (fig 14, item 400, 402, 404: POS and Web server) .

As per claim 4, Scroggie teaches the indication of an offer for a subsidy is provided via at least one of e-mail, postal mail, and telephone. (fig 14 item 416, col 2 line 56, col 12 l. 35-36, 53 et seq. "Internet message and email")

As per claim 8, Scroggie teaches the step of charging the customer the second price for the at least one item comprises: charging the second price to an account in one transaction (the transaction with the first vendor)(fig 14, item 408).

As per claim 9, Scroggie teaches determining whether to provide an offer for a subsidy based on the information relating to customer activity. (col 12, 22-25 and 31-32, "incentives based on some aspect of the customer's prior shopping history")

As per claim 10, Scroggie teaches the step of determining whether to provide an offer for a subsidy based on the information relating to customer activity comprises: determining if the information relating to customer activity satisfies at least one rule. (col 12, 22-25 and 31-32, "incentives based on some aspect of the customer's prior shopping history", col 4 line 45-47: a rule being: buy toothpaste earlier, get incentive for certain brand of toothpaste)

As per claim 11, Scroggie teaches determining if the information relating to customer activity satisfies at least one rule. (col 12, 22-25 and 31-32, "incentives based on some aspect of the customer's prior shopping history ;col 4 line 45-47: a rule being: buy toothpaste earlier, get incentive for certain brand of toothpaste)

As per claim 12, Scroggie teaches the step of providing, in response to the received indication, an indication of an offer for a subsidy is performed if the information relating to customer activity satisfies at least one rule. (col 12, 22-25 and 31-32, "incentives based on some aspect of the customer's prior shopping history"; col 4 line 45-47: a rule being: buy toothpaste earlier, get incentive for certain brand of toothpaste)

As per claim 13, Scroggie teaches determining an offer for a subsidy from the second vendor based on the information relating to customer activity. (col 8 l. 63-67, here vendor 1 is the owner of the web site, customer's activity is selecting recipe, the system determines to give which coupons based on the ingredients of the selected recipe; col 4 line 45 et seq.)

As per claim 14, Scroggie teaches determining an offer for a subsidy from the second vendor based on a rule and the information relating to customer activity (col 4, line 33 et seq., and l. 45 et seq.: customer must enter ID number (satisfies a rule) and has purchased toothpaste earlier)

As per claim 15, Scroggie teaches determining an offer for a subsidy from the second vendor if the information indicates a willingness to transact. (col 9 line 1-14: customer indicates readiness to go shopping by making shopping list on-line).

As per claim 16, Scroggie teaches receiving a response to the offer. (fig. 14, item 408, Fig 13, items 312, 308, 314:customer goes to store and transacts; col 10 line 30: the coupons' terms and conditions must be satisfied for discounts to be given)

As per claim 17, Scroggie teaches determining whether the response was received within a predetermined period of time. (col 10 line 25: coupon has expiration date, vendor's system can determine whether customer has responded to offer and purchased within expiration date)

As per claim 18, Scroggie teaches charging is performed only if the response indicates acceptance of the offer and if the response was received within the predetermined period of time. (col 10 line 25: coupon has expiration date, vendor's system can determine whether customer has responded to offer and purchased within expiration date)

As per claim 19, Scroggie teaches the predetermined period of time is a predetermined amount of time after the indication of an offer was provided. (col 10 line 25: coupon has expiration date, vendor's system can determine whether customer has responded to offer and purchased within expiration date. Since offer notice to customer is instantaneous, expiration date of coupon is a predetermined time from indication of offer)

As per claim 20, Scroggie teaches charging is performed only if the response indicates acceptance of the offer. (fig 13 and 14: customer goes to store and transacts. Then receives discounts. Transacting is acceptance of offer)

As per claim 21, Scroggie teaches the offer for the subsidy defines an obligation for the customer to fulfill in exchange for the subsidy (Fig 11, terms and conditions of coupon: go buy at certain store, within certain time of offer and other terms); and further comprising: receiving an indication that the customer has fulfilled the obligation. (fig 13, items 308, 312, 314: customer goes to store and transacts. Vendor knows at POS whether customer has fulfilled obligation)

As per claim 28, Scroggie teaches facilitating a transaction between the customer and the second vendor. (This system helps bring about transactions between customers and manufacturers; fig 1 item 14; col 4, l. 45 et seq.: vendor 1 (retailer)'s customer is enticed to buy

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more toothpaste from manufacturer (vendor 2)) (this system helps bring about transactions between customers and manufacturers; fig 1 item 14; col 4, l. 45 et seq.: vendor 1 (retailer)'s customer is enticed to buy more toothpaste from manufacturer (vendor 2))

As per claim 29, Scroggie teaches soliciting agreement by the customer to participate in a transaction with the second vendor. (this system helps bring about transactions between customers and manufacturers; fig 1 item 14; col 4, l. 45 et seq.: vendor 1 (retailer)'s customer is enticed to buy more toothpaste from manufacturer (vendor 2))

As per claim 30, Scroggie teaches determining whether the customer- participated in a transaction with the second vendor. (customer goes to store and transacts. Vendor knows customer has fulfilled).

As per 32, Scroggie teaches the information relating to customer activity comprises an indication of at least a mouse click on an indication of an item (col. 2 lines 12-13)

As per claim 33, Scroggie teaches the information relating to customer activity comprises an indication of a search that is performed for a predetermined product; ( col. 1 l. 30-40: customer can search for specific products for which supermarket specials or offers through the offer browser are offered)

As per claim 34, Scroggie teaches the information relating to customer activity comprises an indication of at least one of:  
a predetermined number of items that a customer is ready to purchase from the first vendor (col 1 line 35:customer makes a shopping list which is an indication he/she is ready to purchase those list items from the retailer) and  
requesting a coupon for a predetermined item (col 1 l. 37 :customer enters "offer browser")

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As per claim 35, Scroggie teaches the offer defines at least one of a reduction in the price charged for the at least one item; the second vendor; and an obligation for the customer to fulfill in exchange for the subsidy. (fig 11 items E, K, F, respectively)

As per claim 36, Scroggie teaches a method, comprising the steps of:  
receiving information relating to customer activity of a customer with a first vendor; (fig 14 items 400, 402, 404-412)  
determining whether to provide an offer for a subsidy based on the information relating to customer activity;  
determining an offer for a subsidy from a second vendor;  
providing an indication of an offer for a subsidy from a second vendor(, fig 1, item 14 ( the second vendors being the manufacturers, fig 14 item 414, and 416)  
receiving an indication of at least one item the customer desires to purchase, the one at least item having an associated total price; (fig 14, item 408) and charging the customer a second price for the at least one item if the response indicates that the offer is accepted, the second price being less than the total price. (fig 14 item 408)

As per Claim 51 , it parallels the limitations found in claim 1 in apparatus format and is rejected for similar reasons

As per Claim 52 , it parallels the limitations found in claim 1 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim 1. All those elements are inherent in the Scroggie system. Therefore claim 52 is rejected for the same reasons as claim 1.

As per claim 53 . it parallels the limitations found in claim 1 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That



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element is inherent in the Scroggie system. Therefore claim 53 is rejected for the same reasons as claim 1.

As per Claim 54 , it parallels the limitations found in claims 9 and 16 in apparatus format and is rejected for similar reasons

As per Claim 55, it parallels the limitations found in claim 54 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Scroggie system. Therefore claim 55 is rejected for the same reasons as claims 9 and 16.

As per claim 56, it parallels the limitations found in claim 9 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That element is inherent in the Scroggie system. Therefore claim 56 is rejected for the same reasons as claim 9 and 16.

### **Claim Rejections - 35 USC 103**

14. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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15. Claims 31, 41-42, 60-65 are rejected under 35 USC 103(a) as being unpatentable over Scroggie.

As per claim 31, it is rejected under 35 U.S.C. 103(a) as being unpatentable over Scroggie as applied to claim 29 above in view of well known legal and business principles.

Scroggie does not teach assessing a penalty if the customer did not participate in the transaction. However, Official Notice is taken that payment of a agreed-upon penalty for breach of contract is an old and well-known legal concept (see definitions of “penalty clause” and “damages” in the Law Dictionary by Stephen H. Gifis, p. 114-116, 340) . The customer having accepted the offer as recited in claim 1, and having agreed to participate in a transaction with the second vendor as recited in claim 29, thereby forming a legally binding contract, upon reneging on performance, can legally be assessed a penalty for damages incurred by the second vendor. It would have been obvious to one skilled in the art at the time the invention was made to add to Scroggie's teachings well-known principles of contract law to give subsidizing vendors assurances that their investment in the incentive program is protected and allow them to recoup their incentive program costs and other incidental damages in case of customers ‘ breach .

As per claim 41, Scroggie teaches method, comprising the steps of  
.receiving information relating to customer activity on a Web site of a first vendor (col 4 line 9 et seq. : Scroggie ‘ s site is a cooperative site but single commercial entities Websites are well known: “conventional uses”)  
determining whether to provide an offer for a subsidy based on the information relating to customer activity(fig 14, items 414)  
determining an offer for a subsidy. from a second vendor(fig 1 item 14: second vendors being manufacturers ; col 13 l. 24-46)  
displaying, via a Web page on the Web site, an indication of the offer for the subsidy from the second vendor (fig 5 item 142: individual offer page);  
receiving customer input via the Web site, the customer input representing a response to the offer(fig 5 item 145-147: selects coupons and add to session list);  
receiving a selection of at least one item the customer desires to purchase, the at least one item having an associated total price (Fig 14 item 408: customer buys in store with coupon) ;

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Scroggie does not explicitly teach receiving a credit card identifier that identifies a credit card account. However, Official Notice is taken that receiving a credit card identifier that identifies a credit card account for credit card payments is old and well-known. Further, charging a second price, being less than the total price, to the credit card account when discounts are given is also old and well-known (eg. A retailer like Macy's, giving a 20% coupon off sales, will ring the total price first then scan the coupon to ring the discount, then the difference equal to the second price will appear on the receipt, at which point the customers' credit card, if used, will be charged with the second price. It would have been obvious to one skilled in the art at the time the invention was made to add this payment feature to the previous Scroggie teachings to enable efficient charging of discounted items.

As per claim 42, Scroggie teaches a method, comprising the steps of.  
receiving information relating to customer activity with at a POS terminal of a first vendor (fig 14, items 400-406)  
determining whether to provide an offer for a subsidy based on the information relating to customer activity (fig 14, items 414)  
determining an offer for a subsidy from a second vendor (fig 1 item 14: second vendors being manufacturers, col 13 l. 24-46)  
outputting at the POS terminal an indication of the offer for the subsidy from the second vendor; (abstract line 25, fig 13 item 312)  
receiving via the POS terminal customer input that represents a response to the offer (fig 13 item 312: customer is in store and accepts at POS) receiving a selection of at least one item the customer desires to purchase, the at least one item having an associated total price (fig 13 item 312: customer is in store and accepts at POS)

Scroggie does not explicitly teach receiving a credit card identifier that identifies a credit card account; and charging a second price to the credit card account if the response indicates that the offer is accepted, the second price being less than the total price. . However, Scroggie teaches giving discounts at POS based on the incentives received by the customer (fig 14, item 408).

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However, Official Notice is taken that receiving a credit card identifier that identifies a credit card account for credit card payments is old and well-known . Further charging a second price, being less than the total price, to the credit card account when discounts are given is also old and well-known (eg. A retailer like Macy's, giving a 20% coupon off sales, will ring the total price first then scan the coupon to ring the discount, then the difference equal to the second price will appear on the receipt, at which point the customers' credit card ,if used, will be charged with the second price. It would have been obvious to one skilled in the art at the time the invention was made to add this payment feature to the previous Scroggie teachings to enable efficient charging of discounted items.

As per Claim 60 , it parallels the limitations found in claim 41 in apparatus format and is rejected for similar reasons

As per Claim 61, it parallels the limitations found in claim 41 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Scroggie system. Therefore claim 61 is rejected for the same reasons as claim 41.

As per claim 62, it parallels the limitations found in claim 41 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That element is inherent in the Scroggie system. Therefore claim 62 is rejected for the same reasons as claim 41.

As per Claim 63 , it parallels the limitations found in claim 42 in apparatus format and is rejected for similar reasons

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As per Claim 64, it parallels the limitations found in claim 42 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Scroggie system. Therefore claim 64 is rejected for the same reasons as claim 42.

As per claim 65 it parallels the limitations found in claim 42 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That element is inherent in the Scroggie system. Therefore claim 65 is rejected for the same reasons as claim 42 for similar reasons

16. Claim 2 is rejected under 35 U.S.C. 103(a) as obvious over Scroggie in view of the article "Can mixing "cookies" with online marketing be a recipe for heartburn" by Ed Foster, Infoworld v18n30, pp54, Jul. 22, 1996, hereinafter, the "Cookie Article". Scroggie does not teach receiving information relating to customer activity comprises reading information from a cookie, but the Cookie article teaches just that (abstract lines 1-6) . It would have been obvious to one skilled in the art at the time the invention was made, as the cookie technology of gathering data about users' activities on the Internet becomes known, to complement Scroggie's teaching with the powerful cookie feature to enhance the targeting of advertising with the obvious benefit of increased potential sales.

17. Claims 5-7, 37-38, 49-50 , 57-59, and 72-74 are rejected under 35 USC 103(a) as being unpatentable over Scroggie in view of Kanter, US 5537314, hereinafter, Kanter.

As per claim 5, Scroggie does not explicitly teach that the step of charging the price for the at least one item comprises: charging the customer the total price; and crediting an amount of funds to an account, the amount of funds being based on a difference between the total price and the second price. However , Scroggie teaches giving discounts at

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POS based on the incentives received by the customer (fig 14, item 408). Further, Kanter teaches a system where cash incentives awards accumulate on the charge (credit)cards, col 7 lines 26-40, citing Burton et al, US 5025372); also at col 28 lines 14-45). This implies the customer is charged a total price then one of his (charge) accounts is credited by an amount of funds equal to the discounted or incentive amount. It would have been obvious to one skilled in the art at the time the invention was made to complement Scroggie's teaching with Kanter's to facilitate the redemption of incentives, encourage increased use of the charge card by customers and appeal to financial institutions who often look to issue more credit cards.

As per claim 6, Scroggie does not explicitly teach the step of crediting is performed after the step of charging the total price. However, Scroggie teaches giving discounts at POS based on the incentives received by the customer (fig 14, item 408). Official Notice is taken that the step of crediting performed after the step of charging the total price is old and well-known. It would have been obvious to one skilled in the art at the time the invention was made to complement Scroggie's teaching with the above-mentioned feature to facilitate efficient redemption of incentives.

As per claim 7, Scroggie does not explicitly teach the step of crediting comprises crediting the amount of funds to a credit card account. However, Scroggie teaches giving discounts at POS based on the incentives received by the customer (fig 14, item 408). Further, Kanter teaches a system where cash incentives awards accumulate on the charge (credit)cards, col 7 lines 26-40, citing Burton et al, US 5025372); also at col 28 lines 14-45). This implies the customer is charged a total price then one of his (charge) accounts is credited by an amount of funds equal to the discounted or incentive amount. It would have been obvious to one skilled in the art at the time the invention was made to complement Scroggie's teaching with Kanter's to facilitate the redemption of incentives, encourage increased use of the charge card by customers and appeal to financial institutions who often look to issue more credit cards.

As per claim 37, Scroggie teaches a method, comprising the steps of receiving an indication of at least one item that a customer has purchased for a

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total price from a first vendor(Fig 14 items 400-402);

receiving contact information of the customer (Fig 3 item 118); determining an offer for a subsidy from a second vendor (fig 1, item 14 ( the second vendors being the manufacturers, fig 14 item 414, and 416; col 13 l. 24-46)

providing an indication of the offer using the contact information (Fig 14 item 416); receiving a response to the offer (Fig 14 item 408) ;

Scroggie does not explicitly teach receiving a credit card account identifier that identifies a credit card account and crediting an amount of funds to the credit card account if the response indicates that the offer is accepted. However the Scroggie customer pays at the POS (fig 14 item 408) and Official Notice is taken that payment with credit cards with the associated steps of receiving a credit card account identifier that identifies a credit card account is old and well-known. Further Kanter teaches crediting an amount of funds to the credit card account for incentive amounts. It would have been obvious to one skilled in the art at the time the invention was made to add to Scroggie teachings, well-known credit card payment methods and Kanter's specific teaching to enable efficient charging of discounted items.

As per claim 38, Scroggie teaches determining if contact information of the customer is stored; and requesting contact information of the customer if contact information of the customer is not stored (col 12 line 43-47).

As per claim 49, Scroggie teaches a method, comprising the steps of:  
receiving information relating to customer activity of a customer with a first vendor; (fig 14 items 400, 402, 404-412)  
providing ,in response to the received indication, an indication of an offer for a subsidy from a second vendor(, fig 1, item 14 ( the second vendors being the manufacturers, fig 14 item 414, and 416)  
receiving an indication of at least one item the customer desires to purchase, the one at least item having an associated total price; (fig 14, item 408);  
receiving a response to the offer (customer accepts in store);

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providing the at least one item to the customer for a discounted price if the response indicates acceptance of the offer ( fig 14 item 408).

Scroggie does not specifically teach providing the at least one item to the customer for free. However, Kanter teaches 100% off sales(col 17 line 13) . It would have been obvious to one skilled in the art at the time the invention was made to add Kanter's teaching to Scroggie's to effect the purpose of the particular incentives campaign.

As per claim 50, Scroggie teaches providing a credit to the customer if the response indicates acceptance of the offer. (abstract line 13: customer redeems incentives at stores). Also Kanter at col 27 line 41-46 teaches many ways of providing credits to a customer for redeemed incentives. It would have been obvious to one skilled in the art at the time the invention was made to add Kanter's teaching to Scroggie's to effect the purpose of the particular incentives campaign.

As per Claim 57 , it parallels the limitations found in claim 37 in apparatus format and is rejected for similar reasons

As per Claim 58, it parallels the limitations found in claim 37 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Scroggie system. Therefore claim 58 is rejected for the same reasons as claim 37.

As per claim 59, it parallels the limitations found in claim 37 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That element is inherent in the Scroggie system. Therefore claim 59 is rejected for the same reasons as claim 37.



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As per Claim 72 , it parallels the limitations found in claim 49 in apparatus format and is rejected for similar reasons

As per Claim 73, it parallels the limitations found in claim 49 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Scroggie and Kanter systems. Therefore claim 73 is rejected for the same reasons as claim 49.

As per claim 74, it parallels the limitations found in claim 49 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That element is inherent in the Scroggie and Kanter systems. Therefore claim 74 is rejected for the same reasons as claim 49.

18. Claims 39-40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Scroggie as applied to claim 37 above, and further in view of Walker et al. , US 6049,778, hereinafter Walker.

As per claim 39, Scroggie does not teach that the step of receiving an indication of at least one item that a customer has purchased comprises: receiving an indication of items that a plurality of customers have purchased. However, Walker teaches just that ( Fig 10A item 228; col 11 l. 59-64: early adopters get rewards) It would have been obvious to one skilled in the art at the time the invention was made to combine the Scroggie's and Walker's teachings in order to achieve the advantage of stimulating cross-sales at an early stages of product/services development. Thus, for example, a cellular communications service provider will want to provide incentives to early buyers of cellular phones to quickly increase sale of its services.

As per claim 40, Scroggie does not teach that the step of receiving an indication of items that a plurality of customers have purchased is performed at predetermined times. However, However, Walker teaches just that ( Fig 10A item 228; col 11 l. 35-45)

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It would have been obvious to one skilled in the art at the time the invention was made to combine the Scroggie's and 's teachings in order to achieve the particular purpose of the rewards campaign, for example, to be able to quickly notify the customer that an award is given after his registration to the system identifies him as the 100<sup>th</sup> buyer and thereby secure his enthusiasm and loyalty.

19. Claims 21 and 26-27 are rejected under 35 U.S.C. 103(a) as unpatentable over Scroggie as applied to claim 1, in view of the article "Cellular wrong signals", Newsday, p39, 7/22/1993, herein after the "Nynex" article.

As per claim 21, it is rejected under 35 USC 102(a) over Scroggie as discussed above. It is also rejected under 35 U.S.C. 103(a) as unpatentable over Scroggie in view of the "Nynex" article.

In addition to Scroggie, the Nynex article also teaches the offer for the subsidy defines an obligation for the customer to fulfill in exchange for the subsidy (sign up for Nynex mobile communications services for 2 years in exchange for free cellular phone) ; the Nynex article also teaches receiving an indication that the customer has fulfilled the obligation . The article implies that Nynex enforces the terms of the agreement under which customers are offered the incentive. This implies they monitor fulfillment by customers. It would have been obvious to one skilled in the art at the time the invention was made to combine Scroggie teachings as pertaining to claim 1 and the Nynex article 's teachings of defining an obligation to fulfill and to monitor fulfillment by customers to allow second vendors to monitor whether their business goals of acquiring new customers have been achieved. Businesses are obviously not in the business of providing gifts and would be motivated to monitor whether their incentive program results in acquiring new customers.

As per claim 26, Scroggie does not teach initiating a new service agreement so that a particular service is provided to the customer by the second vendor . However the Nynex and article teaches just that. It would have been obvious to one skilled in the art at the time the invention was made to complement Scroggie's teaching with the Nynex article's teaching to

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extend the advantage of cross-selling to many types of service providers and to start transaction closing.

As per claim 27, neither Scroggie nor the Nynex article teach the service comprises credit card account services. However the Ellis article teaches just that. . It would have been obvious to one skilled in the art at the time the invention was made to complement Scroggie's teaching with Ellis's teaching to extend the advantage of cross-selling to many types of service providers and to start transaction closing.

20. Claims 22-23 are rejected under 35 U.S.C. 103(a) as unpatentable over Scroggie as applied to claim 21 in view of the article "Credit Card firms drive down costs" by Stephen Ellis, Times Newspapers Limited, Sunday times, Feb. 27, 1994, hereinafter "the Ellis article", or over Scroggie and the Nynex article as applied to claim 21, and further in view of the Ellis article.

As per Claim 22, neither Scroggie nor the Nynex article teach the step of receiving an indication that the customer has fulfilled the obligation comprises receiving an indication that the customer has switched service providers. However, the Ellis article discloses a system where advertisers offer incentives to users to switch to their services (switching credit card service providers lower interest rates on transferred balances). It would have been obvious to one skilled in the art at the time the invention was made to complement Scroggie's and the Nynex articles teachings with the Ellis article teaching for the advantage of acquiring new customers from the pool of competitors' current customers since those are the most likely potential customers having shown an immediate need for that type of services.

As per claim 23, neither Scroggie nor the Nynex or Ellis articles explicitly teach the step of receiving an indication that the customer has switched service providers comprises: determining a new customer of the second vendor; and determining if the new customer had been offered a subsidy. However the Nynex article implies that subsidizing vendors monitor fulfillment by customers. This implies they have means to determine whether the courted

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customer has become a new customer such as by checking their new customer database and matching it with customers who have received incentives. It is old and well-known that businesses desire to measure and quantify the success of launched projects, including incentives campaigns. Thus, it would have been obvious to one skilled in the marketing arts at the time the invention was made to add to the Scroggie's and the Ellis article's teachings the Nynex article's implied teaching for tracing the new customer to the received incentive to better monitor and analyze the cause and effect of incentive campaigns.

21. Claims 24-25 are rejected under 35 U.S.C. 103(a) as unpatentable over Scroggie as applied to claim 1 in view of the Ellis article.

As per claim 24, Scroggie does not teach switching providers of a service that is provided to the customer. However the Ellis article teaches just that incentives given for switching services. It would have been obvious to one skilled in the art at the time the invention was made to complement Scroggie's teaching with Ellis's teaching to extend the advantage of cross-selling to service providers and to acquire customers from a ready pool of most likely candidates, competitor's current customers.

As per claim 25, Scroggie does not teach switching providers of a service that is provided to the customer the service comprises at least one of telephone service, Internet service, banking services, credit card account services, insurance service, securities trading service, utilities service, satellite, television service, and cable television service. However the Ellis article teaches just that (switching credit card account services) It would have been obvious to one skilled in the art at the time the invention was made to complement Scroggie's teaching with Ellis's to extend the advantage of cross-selling to many types of service providers

22. Claims 43, 44, 47-48, 66-71 are rejected under 35 U.S.C. 103(a) as unpatentable over Burdon et al ( WO 96/31848), hereinafter Burdon, and further in view of Kanter.

As per claim 43, Burdon teaches:

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a method, comprising the steps of:  
receiving information relating to customer activity with an IVRU of a first vendor (p. 15 line 22 et seq., line 34-36: member enters IVR system and is prompted to listen to branded messages or answer surveys for additional awards; p. 36 l. 13-15: "partner X" is second vendor; ) ;  
determining whether to provide an offer for a subsidy based on the information relating to customer activity;( p. 36 l. 15 et seq. : customer chooses to participate or not, fully or partially; p 36 l. 27 et seq. : reward offered if listen fully)  
determining an offer for a subsidy from a second vendor ( p. 36 l. 13-15: "partner X is second vendor; p. 36 l. 15 et seq. : customer chooses to participate or not, fully or partially; p 36 l. 27 et seq. : reward offered if listen fully);  
transmitting via the IVRU an indication of the offer for the subsidy from the second vendor (p. 36, l. 13-15) ;  
receiving via the IVRU a customer input that represents a response to the offer (p. 36 l. 15 et seq. : customer chooses to participate or not, fully or partially);  
receiving via the IVRU a selection of at least one item the customer desires to purchase, the at least one item having an associated total price (p. 39 l. 23-25:e.g. member chooses to buy information services for so many units of rewards; also, p. 15 line 22 et seq.: member enters IVR system to "buy" telecommunications minutes which he should pay for a total number of reward units) ;

Burdon does not explicit teach:

receiving via the IVRU a credit 'Card identifier that identifies a credit card account; and charging a second price to the credit card account if the response indicates that the offer is accepted, the second price being less than the total price.

However Burdon teaches receiving via the IVRU a member Card identifier that identifies a member card account (p. 29 line 14-16) , which account number is tied to the member's credit card account (fig 2, item 28) ; and  
charging a second number of reward units to the member card account if the response indicates that the offer (listening to branded messages or participating in surveys) is accepted, the second number of reward units being less than the total number of reward units (p. 39 line 26 et seq.).

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Further, Kanter teaches conversion of reward points to dollars amounts ( col 4 lines 54-55, col 7 lines 6-8) and crediting a customer's charge (credit) card for such amounts (col 4 lines 61-67). It would have been obvious to one skilled in the art at the time the invention was made to combine Burdon's and Kanter's teachings and replace Burdon's currency of reward units by money, the usual legal tender, to facilitate the particular commercial purpose.

As per claim 44, Burdon teaches:

a method, comprising the steps of.

receiving information relating to customer activity with a first vendor (p. 15 line 22 et seq., line 34-36: member enters IVR system and is prompted to listen to branded messages or answer surveys for additional awards; p. 36 l. 13-15: "partner X" is second vendor; ) ;

determining whether to provide an offer for a subsidy based on the information relating to customer activity;( p. 36 l. 15 et seq. : customer chooses to participate or not, fully or partially; p 36 l. 27 et seq. : reward offered if listen fully)

determining an offer for a subsidy from a second vendor ( p. 36 l. 13-15: "partner X is second vendor; p. 36 l. 15 et seq. : customer chooses to participate or not, fully or partially; p 36 l. 27 et seq. : reward offered if listen fully); the offer defining an obligation for the customer to fulfill (listen to survey questions /branded messages)

providing an indication of the offer for the subsidy from the second vendor (p. 36, l. 13-15) ;

receiving an indication of at least one item the customer desires to purchase, the at least one item having an associated total price (p.39, l.23-25: e.g. member chooses to buy information services for so many units of rewards; also, p.15 line 22 et seq.: member enters IVR system to "buy" telecommunications minutes which he should pay for a total number of reward units) ;

determining whether the customer has fulfilled the obligation (p. 36 l. 15 et seq.: customer chooses to participate or not, fully or partially; and line 25 et seq.: system can determine whether customer listens fully);

Burdon does not explicit teach:

receiving a credit 'Card identifier that identifies a credit card account; and charging a second price to the credit card account if the customer has not fulfilled the obligation, the second price being less than the total price.

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However Burdon teaches receiving via the IVRU a member Card identifier that identifies a member card account (p. 29 line 14-16) , which account number is tied to the member's credit card account (fig 2, item 28) ; and charging a second number of reward units to the member card account if the response indicates that the offer (listening to branded messages or participating in surveys) is accepted, the second number of reward units being less than the total number of reward units (p. 39 line 26 et seq.). Further, Kanter teaches conversion of reward points to dollars amounts ( col 4 lines 54-55, col 7 lines 6-8) and crediting a customer's charge (credit) card for such amounts (col 4 lines 61-67). It would have been obvious to one skilled in the art at the time the invention was made to combine Burdon's and Kanter's teachings and replace Burdon's currency of reward units by money, the usual legal tender, to facilitate the particular commercial purpose.

As per claim 47, Burdon does not explicit teach the step of charging a second price to the credit card account comprises charging the second price to the credit card account in one transaction. However, it is well-known that incentives can be redeemed as a subtraction from the total price ( e.g. at any POS), leaving the discounted second price on the receipt to be charged to the credit card, if used. It would have been obvious to one skilled in the art at the time the invention was made to add the Kanter's and Burdon's teachings and the above discussed well-known sales methods to provide incentives redeeming convenience for the customers.

As per claim 48, Burdon does not explicit teach the step of charging a second price to the credit card account comprises: charging the total price to the credit card account; and crediting the discount amount to the credit card account. However, Kanter teaches crediting a customer's charge (credit) card with incentives amounts (col 4 lines 61-67). This implies that if the customer uses a credit card in the transaction, which is a well known payment method, then Kanter's teaching implies charging a discounted amount by charging the total price to the credit card account; and crediting the discount amount to the credit card account. It would have been obvious to one skilled in the art at the time the invention was made to combine the above feature to Burdon's teachings to promote efficient payment and incentives redemption and as noted earlier, encourage the use of credit cards for the profit of financial institutions.

As per Claim 66 , it parallels the limitations found in claim 43 in apparatus format and is rejected for similar reasons

As per Claim 67, it parallels the limitations found in claim 43 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Scroggie and Burdon systems. Therefore claim 67 is rejected for the same reasons as claim 43.

As per claim 68, it parallels the limitations found in claim 43 in apparatus format, except for the recitation of a computer readable medium encoded with processing instructions. That element is inherent in the Scroggie and Burdon systems. Therefore claim 68 is rejected for the same reasons as claim 43.

As per Claim 69, it parallels the limitations found in claim 44 in apparatus format and is rejected for similar reasons

As per Claim 70, it parallels the limitations found in claim 44 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Burdon system. Therefore claim 70 is rejected for the same reasons as claim 44.

As per claim 71, it parallels the limitations found in claim 44 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That element is inherent in the Burdon system. Therefore claim 71 is rejected for the same reasons as claim 44.



23. Claims 45 and 46 are rejected under 35 U.S.C. 103(a) as obvious over Burdon and Kanter as applied to claim 44 and further in view of the Nynex article.

As per claim 45, Burdon does not explicitly teach the step of determining whether the customer has fulfilled the obligation comprises receiving an indication that the customer has switched service providers. However the Nynex article teaches that businesses can readily determine whether the customer has fulfilled the obligation. The Ellis article discloses enticing customers of a service to switch providers by using incentives. It would have been obvious to one skilled in the art at the time the invention was made to complement Burdon's and Kanter's teachings as applied to claim 44 with the Nynex and Ellis articles to allow service providers who desire to tap into their competitors' customers databases to monitor whether their incentive campaigns are successful..

As per claim 46, Burdon does not explicitly teach the step of determining whether the customer has fulfilled the obligation comprises determining whether the customer has become a new customer of the second vendor. However the Nynex article teaches that Nynex enforces monitor fulfillment by customers the terms of the incentives contract, implicitly by determining first whether they become their customers, then how long they so stay. It would have been obvious to one skilled in the art at the time the invention was made to combine Burdon teachings as pertaining to claim 44 and the Nynex article's implicit teachings of monitoring incentives recipients fulfillment as discussed above to allow vendors to monitor whether their business goals of acquiring new customers based on incentives have been achieved and to recoup losses in case of customer breaches.

### **Conclusion**

24. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

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Scroggie et al., US 6014634, teaches system for distributing targeted incentives through personal web pages.

PCT WO 98/06050, Pierce et al., 08/01/96, teaches a payment system for targeted discounts

25. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Khanh H. Le whose telephone number is (703) 305-0571. The examiner can normally be reached on Monday-Friday from 9:00 AM - 5:30 PM. The examiner can also be reached at the e-mail address: [khanh.le2@uspto.gov](mailto:khanh.le2@uspto.gov)

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Todd Voeltz, can be reached on (703) 305-9714. Facsimile transmissions to this Group may be directed to (703)305-3719.

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 305-3900

KHL

September 25, 2000

  
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PRIMARY EXAMINER